



## **Office of the Mayor**

### **NEWS RELEASE**

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### **2007 looks positive for job creation, commercial growth**

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With another one-third of the year to go, 2007 is shaping up to be one of the best years in a decade for new-job creation along with commercial investment and growth, according to data filed with 2007 tax-abatement requests from the City of South Bend.

For the first eight months of 2007, approved tax abatements will lead to the creation of 186 new jobs with an increased payroll of \$8.9 million. During that same period, tax abatement petitions filed by 17 commercial firms helped retain in South Bend an additional 1,453.5 jobs. Another 14 residential petitions will create 225 housing units in the city.

Through Aug. 25 of this year alone, the projected \$102.7-million investment in South Bend exceeds full-year totals for the past nine years, while 2007's total payroll increase for two-thirds of the year already is the largest of all but one of the last nine years.

While \$9.4 million in cumulative taxes were abated in 2007, the projects will pay an estimated \$7.1 million in taxes, according to a report prepared for the Sept. 7 meeting of the city's Redevelopment Commission.

"The city's investment in key infrastructure, including the Metronet, and a pro-business policy that stimulates job growth and expansion from existing companies has helped set the stage for this commercial investment," said Mayor Stephen J. Luecke. "When local business expands, so do the economic fortunes of the community and its residents."

Tax abatements are essential to fostering local job growth as businesses face an increasingly complex and global arena of competition.

“The cumulative taxes abated represent less than one-tenth of the expansion costs and are surpassed by the increased payroll these businesses will spend in creating new jobs for residents,” Luecke said. “That’s sound stewardship to ensure that these resources are invested in South Bend and not South Dakota or South America.”

According to figures tallied by the city’s department of Community and Economic Development, 1,639.5 total jobs are impacted by this year’s 35 tax-abatement petitions to date – 186 new jobs and 1,453.5 jobs retained. New jobs represent 11.3 percent of the total, the third highest percentage since 1999. The payroll increase to date, \$8,938,348, exceeds the full-year totals for all but 2000, which reached \$13.7 million.

The \$102,764,284 in project costs will have an estimated assessed value of \$82,845,424. A total of \$9,435,250 in taxes will be abated through these requests, over periods ranging from 3 to 10 years.

To date, firms requesting tax abatements plan to expand facilities by 591,036 square feet, surpassed only by full-year totals for 1999, 2000 and 2002.